GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2846
ANSWERED ON:19.12.2003
GRANT OF INDUSTRIAL LICENCES
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has decided to grant industrial licences to entrepreneurs directly against their application for projects in the licensed sector;

(b) if so, the extent to which this step has ensured speedy implementation of projects in strategic sectors such as defence oriented production, atomic energy and rare earths etc.;

(c) whether this procedure would also apply to manufacture of items reserved for exclusive production in the small sector; and

(d) if not, the reasons for the same?

Answer

THE MINISTER OF STATE IN MINISTRY OF COMMERCE & INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a) & (b): The Government has, vide, Press Note No. 4 (2003 Series) dated 10th October 2003, allowed grant of Industrial Licence directly, by removing the Letter of Intent (LOI) stage, for items other than those reserved for exclusive production in the small scale sector. This is intended to expedite implementation of projects. 12 licences covering various sectors have been issued till Novermber, 2003.

(c) & (d): This procedure does not apply to manufacture of items reserved for exclusive production in small-scale sector by non small-scale industrial undertaking. In such cases, Letter of Intent issued to non small-scale industrial undertaking is converted into an industrial licence only after execution of the legal undertaking to export minimum 50% of production.